Achievements in industrial sector

2999. SHRI NARENDRA MOHAN: Will the Minister of INDUSTRY be pleased to state:

(a) what arc the achievements of Government in the industrial sector;

(b) whehter Government have achieved industrial growth it expected during the year;

(c) which are the majore sectors of industry where decline it growth has been recorded; and

(d) what are the major reasons for decline in the industrial growth?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT): (a) and (b) As per Index of Industrial Production, released by Central Statistical Organisation, the industrial growth during the April—February, 1998-99 is 3.9% as compared to 4.9% during April—February, 1997-98. The actual growth rate of industrial production during April—February 1998-99 is close to the assessment made by the Government regarding the expected industrial growth for the year 1998-99.

(c) An analysis of the performance as per the Index of Industrial Production shows that during April—February, 1998-99, positive growth rates have been achieved in 11 out of the total 17 two digit industry groups. The production has been negative in respect of Cotton Textiles (-1.9%), manufacture of Jute & other vegetable fibre Textiles, except cotton (-5.4%), Textile Products, including Wearing Apparel (-3.3%), Wood & Wood Products (-4.8%), basic Metals & Alloy Industries (-3.2%), Machinery & Equipment other than Transport Equipment (-1.2%).

(d) The slow down in industrial growth can be attributed to both the domestic and external factors.

—Domestic factors include weak demand on account of slow down in general investment mainly due to sluggish capital market conditions.

—On the external side, the world export growth has been sluggish which has affected India's export growth. As production for export is a sizeable portion of industrial output, it has affected industrial production.

—Indian corporates have also been affected by competition from cheap imports, owing to devaluation of currencies in East Asia and Brazil.

Implementation of Recommendations of Abid Hussain Committee

3000. MISS SAROJ KHAPARDE: Will the Minister of INDUSTRY be pleased to state:

(a) the major recommendations of Abid Hussain Committee on small trade sector implemented so far;

(b) how many recommendations are yet to be implemented;

(c) whether Government proposes to dereserve more items in the small scale industry sector; and

(d) if so, the details of these steps and reasons for dereserving these items?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT): (a) and (b) A statement is enclosed *(See* below)

(c) and (d) Reservation and Dereservation of items for manufacture in Small Scale Sector is a continuous process being done on the basis of the Advisory Committee on Reservation constituted under IDR Act, 1951.

Implementation of recommendations of Abid Hussain Committee Main Recommendations/Implementation Thereon

	Recommendation	Implementation Thereon
1.	A separate law should be enacted for small enterprises. The objective of the law would be to define the small enterprise sector and outline the broad frame work for the promotion of the sector.	The Government has no objection. However, it requires wide consultation with all concerned, viz.: State Governments, Associations, etc. concerning all related laws on. labour and pollution control, etc. and to clearly identify the areas which require such legislation. A comprehensive study is being assigned to an expert agency for this purpose to suggest model law for SSI etc. However, to safeguard the interest of small units the "The Interest on Delayed Payments *to* Small Scale and Ancillary Industrial Undertakings Act, 1993" has been amended in August, 1998 to make it more effective.
2.	The Limited Partnership Act should be enacted as soon as possible.	The recommendation is accepted and further follow up action is under active consideration of the Government.
3.	The concept of small sector be widened to include small scale business and service enterprises.	In view of the inadequacy of the credit, the widening of the sector is not desirable. However, business and service related small scale enterprise having an investment upto Rs. 5 lakhs included within the small sector.
4.	The investment limit for SSE be enhanced to Rs. 3 crores and for tiny units to Rs. 25 lakhs.	Agreed and action already taken. However, action has been initiated to reduce the investment limit from Rs. 3 crores to Rs. 1 crore.
5.	Corporatisation of Government Extension Agencies so that they specialise in few activities to develop their competitiveness. Encourage public-private partnership among the enterprises in setting up support systems for small scale enterprises.	Blanket Corporatisation is not feasible. More than 20 agencies of SIDO are given autonomous society structure. The Government is also providing all encouragement and support for any initiative taken by industry association in this regard. Schemes being implemented by the Department, SIDO and NSIC would be restructured to promote public-private partnership in setting up of support systems, particularly in technology development, extension and training centres, etc.

	Recommendation	Implementation Thereon
5.	A flexible broad based district enterprise promotion agency (DEPA) be set up to replace DICs.	Not feasible at present.
7.	Clusters, should become the unit/ focus of Government support programmes. The institutional mechanism and the assistance measures should revolve round the clusters.	Accepted. 10 clusters have been indentified for modernisation and technology upgradation under UPTECH scheme and further work is in progress. Details of a new scheme viz. National Rural Industry Programme (NRIP) aiming to set up 100 rural clusters in each year arc being worked out.
8.	70 Per cent of priority sector allocated to small scale sector should be earmarked for tiny sector.	Accepted with some modification. 60 per cent of priority sector lending allocated to the small scale sector would be going to tiny units. Units up to five lakhs of investment will get 40% and new segment of tiny units between Rs. 5 lakhs and Rs. 25 lakhs of investment will get 20%.
9.	Revitalise the State Financial Corporation (SFCs) and Small Industries Development Corporations by IDBI in association with SIDBI.	The suggestion has been accepted. Necessary action to amend the SFC Act is being taken by the Ministry of Finance.
10.	Fiscal concessions for units menufacturing reserved items as a transitional measure for a period of five years by granting full exemption up to a turnover of Rs. 50 lakhs, etc.	Accepted. The excise exemption limit has been enhanced to Rs. 50/- lakhs for all SSI units including those manufacturing reserved items w.e.f. 1998-99.
11.	Providing assistance at concessional rate of interest for technology development and modernisation by SSI.	TDMF scheme of SIDBI has already been modified.
12.	Nayak Committee recommendation on credit to SSIs endorsed for full implementation by RBI, particular stress on making available 20% of annual turnover as working capital. along with other recommendation for improving credit supply endorsed.	This has already been accepted. The composite loan of SIDBI and commercial banks is designed to ease operational difficulties of the small borrowers by providing them loan and working capital through a single window, the limit of which has been raised from Rs. 50.000/- to Rs. 2 lakhs in 1998-99 and from Rs. 2 lakhs to Rs 5/-lakhs in 1999-2000. All possible efforts arc being made to improve the availability of credit to SSI units. RBI and Department of Banking have been requested to set up a credit monitoring agency and

Recommendation	Implementation Thereon
	publish reports on credit flows to the SSI, at least once a year.
13. Reservation of items for exclusive manufacture in the small scale sector be abolished.	NOT ACCEPTED. However, the position is reviewed from time to time by an Advisory Committee on Reservation constituted under the I (D&R) Act, 1951 and any further addition or deletion is done on the recommendations of the Committee.

Losses made by PSUs

3001. SHRI RAMDAS AGARWAL: Will the Minister of INDUSTRY be pleased to state:

(a) whether it is a fact that out of 236 PSUs, 104 are reportedly loss making;

(b) if so, what is the accumlatcd loss of such undertakings till date;

(c) whether Government have till date taken any decision to close down sick Central PSUs and made offer of Voluntary Retirement Scheme;

(d) what is at present the total amount of outstanding dues/arrers required to be paid to employees of sick units; and

(c) if so, what policy Government would like to adopt in cases of "unproductive" and "sick" units in the country?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI SUKHBIR SINGH BADAL) (a) and (b) No, Sir. As per Public Enterprises Survey Report 1997-98 which has been laid on the Table of both the Houses of Parliament on 26.2.99, of the 236 operating CPSUs, 100 are loss making. As per the consolidated Balance Sheet of the CPSUs, as on 31.3.98 the cumulative loss of CPSUs was Rs. 41,265 crores.

(c) Government at present have not taken decision to close any sick central PSU. It has been the endeavour of the Government to safeguard the interest of the workers in all cases.

(d) According to provisional information available the total amount of outstanding dues/arrears as on 31.12.98 was around Rs. 1500 crores. The arrears consist of both current as well as past liabilities.

(e) The policy of the Government in regard to PSU including weak units has been stated in the FM's Budget Speech for 1999-2000.

Meeting of the Standing Labour Committee

3002. SHRI JIBON ROY: Will the Minister of LABOUR be pleased to state:

(a) whether the Ministry of Labour invited various Ministries of the Central Government to participate in the 35th Session of the Standing Labour Committee;

(b) if so, the names of the Ministries invited for the meeting and those who failed to attend the meeting;

(c) the designation of the representatives who attended the meeting; and

(d) the representatives of the Union Ministries who spoke in the meeting?

THE MINISTER OF LABOUR (DR. SATYANARAYAN JATIYA): (a} to (d) .Nineteen Central Ministries/Departments namely (i) Planning Commission; (ii) Agriculture & Cooperation, (iii) Coal, (iv) Commerce, (v) Environment &